

ECON 331Eb Global Economy

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Office Hours: Wednesday 09:30-10:30

Course Information

Spring 2018

Monday & Wednesday

16:00 till 17:20

Course objectives:

The aim of this course is to introduce the students to the main debates surrounding the nature, effects and attempted management of the *Global Economy*, identifying its most important post-war structural developments (e.g. formation and collapse of Bretton Woods, on-going globalization, setting up of the WTO, increase in regional integration, emergence of China etc.) and examining contemporary challenges to its well-being (e.g. financial instability, trade tensions, global imbalances, rising inequality, environment crises etc.).

Course description:

We begin the course on a theoretical level, comparing and contrasting the different macro/microeconomic perspectives forwarded by the classical political economists, neo-classical economists and new political economist, respectively.

Next we turn to the global trading regime which is divided in two parts: the first part is dedicated to studying its evolution from GATT to the WTO, identifying its principal structural changes and broadening agenda; the second part tackles three concrete issues within global trade: the rise of regionalism; the plight of less developed countries; and the various debates surrounding intellectual property protection.

The issue of the environment is then addressed in Section 4. Here the principal focus will be on the issue of 'global governance' and ultimately to evaluating the effectiveness of public/private sector initiatives to both protect (and actually improve) the environment (e.g. renewal energy, emissions trading schemes) while at the same time guaranteeing the economic growth within a competitive global economy.

The following two sections tackle the international monetary and financial system. Section 5 begins by studying the structure, functioning and demise of the Bretton Woods system, considered vital for any understanding of the contemporary 'unregulated' international monetary system and the connected debates international fora, most notably the in G20 meetings and BRIC summits. Special attention is paid to the eurozone, dollarization and US-Chinese financial and monetary relations. Section 6, on the other hand, focuses on the causes and effects of the 'explosion' of global finance from the 1970s onwards, analyzing recent/on-going financial crises, and assessing the need for (and possible nature of) stricter regulatory measures, both at the national and international level.

The final part of the course is dedicated to China. After briefly establishing an historical framework, Section 7 examines the key stages of China's on-going economic transition, its integration into, and effects on, the global economy (and not least how it affects Sino-American relations). Nonetheless, as is becoming obvious, China faces serious economic, political, social and environmental. Beijing announced important reforms in November 2013 to try and resolve some of these problems. Will they be successful and what effects will there be for the global economy?

Course Outline (*The syllabus may be subject to change*)

1. THEORETICAL DEBATES

31st January – Presentation of course; the Adam Smith System I
Class hand-outs

5th February – The Adam Smith System II
Class hand-outs

7th February – Adam Smith III; Classical Political Economy
Class hand-outs
Pipex pp.5-11

12th February – Neo-Classical Economy
Class hand-outs
Pipex pp.5-11

14th February – New Political Economy
Class hand-outs
Pipex pp.5-14

19th February – QUIZ; Debate – preparation
Pipex pp.15-27

2. GLOBAL TRADE REGIME I - EVOLUTION

21st February – Debate; General Agreement on Tariffs & Trade (GATT) I
Pipex pp.31-35

26th February – GATT II
Pipex pp.35-39

28th February – NO CLASS (Día de Andalucía)

5th March – World Trade Organization (WTO)
Pipex pp.39-42

7th March – Critiquing the WTO; the Doha Round and beyond
Pipex pp.42-45

3. GLOBAL TRADE REGIME II – ISSUES

12th March – Regionalism: why permitted; types; pros/cons
Pipex pp.50-52

14th March – Less developed countries: challenges faced; food crisis
Pipex pp.53-65

19th March – Intellectual property rights: pros/cons
Pipex pp.66-82

21st March – MIDTERM EXAM

26th March – NO CLASS (Semana Santa)

28th March – NO CLASS (Semana Santa)

4. THE ENVIRONMENT

2nd April – The Environment I: global governance

Class hand-outs

Pipex pp.86-99

4th April – The Environment II: challenges

Class hand-outs

Pipex pp.100-109

9th April – Emissions trading schemes; Renewable energy

Class hand-outs

Pipex pp.110-115

5. INTERNATIONAL MONETARY SYSTEM

11th April – The Bretton Woods System

Class hand-outs

Pipex pp.119-125

16th April – NO CLASS (Feria de Abril)

18th April – NO CLASS (Feria de Abril)

23rd April – Collapse of Bretton Woods

Pipex pp.124-126

25th April – Post-Bretton Woods monetary system; the eurozone

Pipex pp.126-131

30th April – US-China monetary/financial relations

Pipex pp.133-140

6. GLOBAL FINANCE & CRISES

2nd May – The Globalization of Financial Markets

Pipex pp.123-126

7th May – Financial crises: case studies; theoretical views

Class hand-outs

9th May – The 2008 financial crisis: causes, effects & regulation

Pipex pp.143-160

7. CHINA

14th May – Transition; integration into/effect on global economy

Class hand-outs

Pipex pp.163-192

16th May – Challenges facing Chinese society; 2013 reforms; present

Class hand-outs

Pipex pp.192-208

21st-24th May – FINALS

Prerequisites

A previous economics course is recommended, though not obligatory.

Methodology

The course questions the view that economic globalization is an apolitical 'technical' process of resource allocation guided by a 'hidden hand'. Instead it considers the globalization process as implicitly *political*; set within a particular historical, geographical, ideological and social context, and both influenced by, and having an influence on, key powerful actors; notably nation-states, international organizations and transnational corporations.

Clearly not all states are the same; neither in their national economic model, nor in the influence yielded in a (hierarchically-structured) global economy. On the other hand, it is undeniable that globalization has, if not undermined nation-states' ability to control their domestic economy, then at restricted the policy choices available to them. Nowhere is that more apparent than with respect to international financial flows underscored by the present credit crunch.

As the uneven process of market expansionism seeks to overcome structural limitations and political opposition, debates arise regarding the optimum form of 'global governance' – a key theme both within the discipline of International Political Economy, and central to this course. Such debates cannot take place in the abstract but must reflect real on-going processes in the global economy, hence the widespread use of contemporary press and journal articles (and case studies included therein).

Required Text: Pipex course pack Econ 331E

The Pipex course pack is available from the 'copistería' which contains, amongst other texts, excerpts from the following:

- Ravenhil, J (ed): *Global Political Economy*, 5th Edition, Oxford, OUP, 2016
- Baylis, J, Smith, S, & Owens P.: *The Globalization of World Politics*, Oxford, OUP, 2011
- Stubbs, R & Underhill, R.D.(eds): *Political Economy and the Changing Global Order*. Ontario, Canada, OUP, 2006
- Press articles from: *Economist*, *Financial Times*, *New York Times*, the *Guardian*

Some webs you may useful:

- www.economist.com - analytical articles on world economic/political affairs
- www.china.org.cn/ - news and articles on China and official government policies/stats
- www.europa.eu.int - EU official web-page (history, policies, legislation, stats etc.)
- www.eurunion.org - EU guide for Americans
- www.ft.com – Financial Times, international news, economy, corporate activities, shares
- www.greenpeace.org/international/ - Environment
- www.guardian.co.uk - UK daily, broad range of national/international news articles
- www.ictsd.org - International Centre for Trade and Sustainable Development
- www.imf.org - International Monetary Fund
- www.nytimes.com - World news, critical editorials
- www.unctad.org - United Nations Conference on Trade and Development
- www.worldbank.org/ - World Bank
- www.wto.org/ - World Trade Organization

Course Requirements and Grading

Assessment for the course consists of one short quiz and two exams (all written) and an oral presentation (in pairs/small groups) on an assigned relevant topic. With regards the oral presentation, *on the day of their presentation* each student has to hand in the following *printed* documents for their section: an outline, a bibliography and a half page summary (TMR 12, single space). Students will be graded individually.

Finally, students will be required to complete assigned readings/summarize articles etc outside class and to actively participate in class discussions, which will be reflected in their 'participation' grade. (N.B.: 'being there' does not = 'participation').

The distribution of the final grade is the following:

Quiz	10%	Midterm Exam	25%
Presentation	15%	Final Exam (TBA)	30%
Participation	20%		

The dates for the quiz, exams and presentation will not be changed under any circumstances.

Spanish grades run: 10-9.0 (A), 8.9-7.0 (B), 6.9-5.0 (C), 4.9-0 (F)

Attendance, Punctuality and General Course Policies

Attendance is mandatory. If there is justifiable excuse for missing class, some form of documentation (e.g. doctor's note) must be provided to the proper authorities. Any student missing class must catch up on the lost notes from fellow students.

More than 3 unexcused absences will result in the lowering of the grade. Students with more than 2 such absences may not challenge the final grade received.

Punctuality is required. If a student arrives more 15 minutes late it will constitute a 0.5 absence. However no student will be permitted entrance more than 25 minutes after the beginning of the class and hence will be marked absent.

Cell phones must be turned off during class. Strictly no food to be consumed in class.

Academic Dishonesty

Academic integrity is a guiding principle for all academic activity at Pablo de Olavide University. Cheating on exams and plagiarism (which includes copying from the internet) are clear violations of academic honesty. A student is guilty of plagiarism when he or she presents another person's intellectual property as his or her own. The penalty for plagiarism and cheating is a failing grade for the assignment/exam and a failing grade for the course. Avoid plagiarism by citing sources properly (using footnotes or endnotes and a bibliography).

Students with Disabilities

If you have a disability that requires special academic accommodation, please speak to your professor within the first three (3) weeks of the semester in order to discuss any adjustments. It is the student's responsibility to provide the International Center with documentation confirming the disability and the accommodations required (if you have provided this to your study abroad organization, they have most likely informed the International Center already but please confirm).

Behavior Policy

Students are expected to show integrity and act in a professional and respectful manner at all times. A student's attitude in class may influence his/her participation grade. The professor has a right to ask a student to leave the classroom if the student is unruly or appears intoxicated. If a student is asked to leave the classroom, that day will count as an absence regardless of how long the student has been in class.

Calendar

Quiz: February 19th

Midterm Exam: March 21st

Presentation: TBA

Final Exam: between May 21st-24th

Holidays

February 28th (Día de Andalucía)

March 26th-30th (Semana Santa)

April 16th-20th (Feria de Abril)